

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2017-2-E

| | | |
|--------------------------------------|---|--|
| IN RE: |) | |
| Annual Review of Base Rates for Fuel |) | ANSWER OF SOUTH CAROLINA ELECTRIC & GAS COMPANY |
| Costs for South Carolina Electric & |) | |
| Gas Company |) | |
| _____ |) | |

Pursuant to 10 S.C. Code Ann. Reg. §§ 103-826 and 103-830 (2012), and in compliance with the Standing Hearing Officer Directive dated March 28, 2018, South Carolina Electric & Gas Company (“SCE&G” or the “Company”) answers the Petition for an Order Requiring SCE&G to Comply with Commission Order No. 2018-55 (“Petition”) filed by the South Carolina Coastal Conservation League (“CCL”) and the Southern Alliance for Clean Energy (“SACE”) as follows:

FOR A FIRST DEFENSE

(Response to Allegations of Petition)

1. Each and every allegation of the Petition not herein specifically admitted, modified, qualified, or otherwise responded to by SCE&G is hereby denied, and SCE&G demands strict proof thereof.

2. The first unnumbered paragraph on page 1 of the Petition is a characterization of the Petition and the relief sought therein, to which no response is required. To the extent a response is required, SCE&G denies the same.

3. As to the second unnumbered paragraph on page 1 of the Petition, SCE&G craves reference to the identified Order as the best evidence of its statements and denies any allegations inconsistent therewith. To the extent a further answer is required, SCE&G denies any remaining allegations of the second unnumbered paragraph on page 1 of the Petition.

4. Responding to the allegations of the third unnumbered paragraph beginning on page 1 of the Petition, SCE&G admits that, on December 22, 2017, the Company filed a letter with the Public Service Commission of South Carolina ("Commission") seeking a waiver of certain provisions of Commission Order No. 2017-246. Further responding, SCE&G craves reference to the identified letter as the best evidence of its statements and denies any allegations inconsistent therewith.

5. Responding to the allegations of the first unnumbered paragraph beginning on page 2 of the Petition, SCE&G admits that CCL and SACE filed a response to SCE&G's letter and craves reference to the identified response as the best evidence of its statements and denies any allegations inconsistent therewith. Further responding, the allegations of the first unnumbered paragraph beginning on page 2 of the Petition are characterizations of CCL and SACE's response and the relief sought therein, to which no response is required. To the extent a response is required, SCE&G denies the same. To the extent a further answer is required, SCE&G denies any remaining allegations of the first unnumbered paragraph beginning on page 2 of the Petition.

6. Responding to the allegations of the second unnumbered paragraph beginning on page 2 of the Petition, SCE&G admits that the Commission issued Order No. 2018-55 in Docket No. 2017-2-E on January 24, 2018, and craves reference to the identified Order as the best evidence of its statements and denies any allegations inconsistent therewith. To the extent a further answer is required, SCE&G denies any remaining allegations of the second unnumbered paragraph beginning on page 2 of the Petition.

7. Responding to the allegations of the third unnumbered paragraph beginning on page 2 of the Petition, SCE&G craves reference to the identified Order as the best evidence of its statements and denies any allegations inconsistent therewith. To the extent a further answer is required, SCE&G denies any remaining allegations of the third unnumbered paragraph beginning on page 2 of the Petition.

8. As to the allegations of the first unnumbered paragraph beginning on page 3 of the Petition, SCE&G denies that it was obligated to file an updated Rate PR-2 that would not reflect any changes to the methodology previously approved by the Commission. SCE&G denies any remaining allegations of the first unnumbered paragraph beginning on page 3 of the Petition.

9. Responding to the allegations of the second unnumbered paragraph beginning on page 3 of the Petition, SCE&G craves reference to its filings in Docket Nos. 2017-2-E and 2018-2-E as the best evidence of their statements and denies any allegations inconsistent therewith. Further responding, the allegations of the

second unnumbered paragraph on page 3 of the Petition are characterizations of SCE&G's filings in Docket Nos. 2017-2-E and 2018-2-E, to which no response is required. To the extent a response is required, SCE&G denies the same. To the extent a further answer is required, SCE&G denies any remaining allegations of the second unnumbered paragraph beginning on page 3 of the Petition.

10. SCE&G denies the allegations of the first unnumbered paragraph beginning on page 4 of the Petition.

11. Responding to the allegations of the first sentence of the second unnumbered paragraph beginning on page 4 of the Petition, SCE&G craves reference to its filings in Docket No. 2018-2-E as the best evidence of their statements and denies any allegations inconsistent therewith. The allegations of the second and third sentences of the second unnumbered paragraph beginning on page 4 of the Petition are characterizations of orders and approvals issued by the Commission and assertions of law to which no response is required. To the extent a response is required, SCE&G denies the same. SCE&G denies the fourth sentence of the second unnumbered paragraph beginning on page 4 of the Petition. SCE&G denies any remaining allegations of the second unnumbered paragraph beginning on page 4 of the Petition.

12. Answering the third unnumbered paragraph beginning on page 4 of the Petition, SCE&G craves reference to the identified statute for the terms, purposes, powers, and duties thereof. To the extent a further answer is required,

SCE&G denies the allegations of the third unnumbered paragraph beginning on page 4 of the Petition.

13. The remainder of the Petition constitutes a prayer for relief not requiring an answer, but to the extent an answer is required, it is denied.

FOR A SECOND DEFENSE

(Failure to State Facts Sufficient to Constitute a Cause of Action)

14. The allegations of the foregoing paragraphs are incorporated herein as if repeated verbatim.

15. The Petition fails to state a cause of action. There is no allegation of any act or thing done or omitted to be done by SCE&G which forms the basis for a complaint cognizable under the law or for which this Commission is empowered to grant relief. See S.C. Code Ann. § 58-27-1940 (2015).

FOR A THIRD DEFENSE

(Reasonableness and Good Faith)

16. The allegations of the foregoing paragraphs are incorporated herein as if repeated verbatim.

17. SCE&G's actions were reasonable, were not arbitrary, were not capricious, and were made in good faith. By asserting this defense, SCE&G does not assume the responsibility to meet any burden of proof imposed on CCL and SACE by statute or common law.

FOR A FOURTH DEFENSE

(No Violation)

18. The allegations of the foregoing paragraphs are incorporated herein as if repeated verbatim.

19. CCL and SACE have not identified any substantive violation of their rights.

FOR A FIFTH DEFENSE

(Right to Amend Answer)

20. The allegations of the foregoing paragraphs are incorporated herein as if repeated verbatim.

21. SCE&G reserves the right to amend this Answer to include additional affirmative defenses that may become apparent throughout the course of this proceeding and through further investigation or discovery.

Wherefore, having fully answered CCL's and SACE's Complaint, SCE&G prays that the relief sought be denied, that the Complaint be dismissed with prejudice, and for such other and further relief as the Commission may deem just and proper.

[SIGNATURE PAGE FOLLOWS]

Respectfully submitted,

s/Benjamin P. Mustian
K. Chad Burgess, Esquire
Matthew Gissendanner, Esquire
Mail Code C222
220 Operation Way
Cayce, SC 29033-3701
Telephone: (803) 217-8141
Facsimile: (803) 217-7931
chad.burgess@scana.com
matthew.gissendanner@scana.com

Mitchell Willoughby
Benjamin P. Mustian
WILLOUGHBY & HOEFER, P.A.
930 Richland Street
PO Box 8416
Columbia, SC 29202-8416
Telephone: (803) 252-3300
Facsimile: (803) 256-8062
mwilloughby@willoughbyhoefer.com
bmustian@willoughbyhoefer.com

Attorneys for
South Carolina Electric & Gas Company

Columbia, South Carolina
April 2, 2018